Trip Notes



Ghana & Nigeria

October 2026

Aktia

Photo: Kotoka International Airport, Accra, Ghana

Overview

We visited Ghana and Nigeria in fall 2026 to meet policymakers, economists and market participants and assess the macroeconomic outlooks of the respective countries. Macroeconomic conditions have improved significantly across both Ghana and Nigeria, with stronger growth, declining inflation and enhanced policy credibility.

External positions have strengthened considerably, supported by commodity exports and improved FX availability. Gold has been the key driver in Ghana, while Nigeria has benefited from stronger oil receipts, the Dangote refinery and increasing non-oil FX inflows. Both countries have consequently been able to build sizeable reserve buffers.

The reform agenda is increasingly shifting from stabilisation toward longer-term structural improvements. Priorities include stronger domestic revenue mobilisation and public financial management, deeper and more efficient financial markets, and reforms aimed at addressing structural constraints in infrastructure, energy and agriculture.

Monetary and FX frameworks have become more credible and market-oriented. Falling inflation has created room for monetary normalisation, while both countries have sought to improve FX-market functioning. However, important risks remain, particularly Ghana's dependence on gold-related FX flows and Nigeria's exposure to potentially volatile foreign portfolio flows.

The overall outlook remains positive, but successful reform implementation will be increasingly important. The initial benefits from macroeconomic stabilisation are becoming well established, meaning future improvements will depend more on institutional reforms, fiscal discipline and private-sector investment. Political and election-related risks, commodity dependence and remaining structural bottlenecks are therefore the main areas to monitor.



Photo: Independence Square, Accra, Ghana

Ghana

The meetings highlighted Ghana's substantial macroeconomic improvement since the 2022 default and the completion of its Eurobond debt restructuring in 2024, while suggesting that the next phase will increasingly depend on structural and institutional reforms rather than near-term stabilisation. Key priorities include domestic revenue mobilization, stronger fiscal institutions, and reforms to the electricity and cocoa sectors. Gold has played a central role in the turnaround by supporting exports, reserves, fiscal revenues, and FX liquidity. However, the growing dependence on gold also creates concentration risks for both the external accounts and the Bank of Ghana's reserve portfolio.

The IMF remains positive on Ghana's growth outlook, with real GDP growth projected at 5.7% in 2026, following growth of 6% in 2025. The main drivers of growth have been household consumption, private investment, and agriculture. In contrast, Ghana's oil sector has been a drag on growth due to maturing oil fields, although higher oil prices have provided some support to the sector. Despite the strong near-term growth performance, the IMF continues to highlight underlying vulnerabilities, suggesting that sustaining robust medium-term growth will increasingly depend on continued structural reforms and the preservation of macroeconomic stability.

The inflation outlook has improved significantly, with inflation falling from a peak of 54.1% in December 2022 to just 5.2% in September this year. The IMF forecasts inflation to average 4.8% in 2027. Although the Bank of Ghana has maintained a tight monetary policy stance in response to remaining inflation risks, it has been able to cut rates by 400 basis points to 14% in 2026. Food inflation remains influenced by the harvest cycle, but the indications are for a bumper harvest during the autumn harvest season. However, El Niño could pose additional risks towards the end of the year. The central bank is monitoring the situation but highlighted that El Niño has generally not had a significant impact on Ghana. The current policy rate was seen as providing sufficient room for the central bank to remain on hold relative to inflation, with a medium-term neutral policy rate of approximately 6–8% as the goal.

The current account has also remained strong, supported by gold exports, which have increased due to the formalisation of the gold sector and favourable gold prices. Gold now accounts for around 65% of total exports. Strong remittances and a recovery in cocoa exports have also supported the current account, which the IMF now forecasts to record a surplus of 6% both in 2026 and 2027. However, higher energy prices are a drag on the current account, as Ghana imports around 75% of its refined petroleum products. Positively, the Tema refinery, which came back online this year and is being expanded, could increase domestic refining capacity to around 40% of the country's needs by 2028.

Reserve accumulation remains a priority for the central bank, with reserves reaching USD 12.1 billion in September, equivalent to 5.3 months of imports. The strength of reserve accumulation was highlighted by the central bank having comfortably exceeded the IMF target under the now-completed ECF program. Reserve growth has been driven largely by the strong gold sector, which has pushed gold's share of reserves above 30%. The high share of gold in reserves was highlighted as a concentration risk, particularly given the importance of gold to the broader economy, suggesting that greater diversification of the reserve portfolio would be appropriate.

Fiscal policy is increasingly focused on domestic revenue mobilisation. Earlier fiscal consolidation relied on expenditure restraint, as revenue targets were not achieved, while the next phase is expected to place greater emphasis on strengthening revenue collection. Domestic revenues were discussed at around 15–16% of GDP for the current year, while a medium-term level of approximately 17–18% was considered achievable, although this would require further reforms. The primary balance target was expected to be adjusted to around 0.5%, rather than 1.5%, providing additional fiscal space . With government debt forecasted at 51.7% and the successful improvement in debt sustainability, Ghana was upgraded from high to moderate risk for debt distress by the IMF in July.

VAT reform and improvements in tax administration represent some of the clearest opportunities to increase revenues. The effective VAT rate was reported at around 20%, while the estimated VAT gap was approximately 5%. Broadening the tax base and reducing exemptions could therefore generate additional revenue without relying solely on higher headline tax rates. New IT and customs systems are also improving the authorities' visibility over taxpayers and have already generated additional revenue. Gold-sector formalisation provides another opportunity. The existing sliding-scale mechanism was estimated to generate approximately 0.2% of GDP in additional revenue, while improved taxation of artisanal and small-scale mining could potentially add another 0.3% of GDP.

Ghana

The IMF highlighted Ghana's strong performance under the ECF program. Following the completion of the ECF, the IMF and the Ghanaian authorities transitioned to a non-financing Policy Coordination Instrument (PCI), with institutional reforms forming an important part of the new program. The PCI focuses on strengthening fiscal policy and transparency, preserving debt sustainability, improving monetary and FX policy frameworks, and diversifying the economy. A key reform is the planned Fiscal Council, which is intended to strengthen fiscal credibility and policy continuity. Procurement reforms and the expansion of government financial management systems are also expected to improve transparency and reduce slippages. These reforms are becoming increasingly important as Ghana moves from short-term stabilisation towards establishing a more durable fiscal framework.

The electricity sector remains one of the main quasi-fiscal risks. The sector's financial gap reflects unpaid electricity bills, transmission and distribution losses, and weak revenue collection. The state-owned utility company Electricity Company of Ghana (ECG) revenues have increased, although much of the improvement appears to have resulted from higher tariffs and greater transparency rather than significantly improved collection efficiency. At the same time, electricity demand is increasing rapidly, creating a need for additional generation capacity. Greater use of domestic gas and solar power was identified as a potential way to improve the energy mix while expanding capacity.

The cocoa sector represents another important fiscal risk. Production remains exposed to weather conditions, crop disease, and smuggling, while elevated global cocoa prices provide some support to the sector. The Ghana Coco Board, however, requires restructuring. Its quasi-fiscal activities, including the financing of cocoa roads, should be reduced, while operating expenditures need to be brought under tighter control to make its operations more sustainable and reduce fiscal risks to the state.

Discussions also focused heavily on developments in the FX market. The authorities' strategy aims to direct foreign exchange activity through the domestic banking system, supported by the new Vostro account framework, thereby improving visibility over FX flows. According to the authorities, the changes have more than halved the exchange-rate differential between the interbank and retail GHS markets. The remaining differential was attributed mainly to liquidity conditions and structural issues in the gold market.

Another reform that remained uncertain during the visit concerned the future role of the Gold Board (GoldBod) in the FX market. GoldBod is expected to channel an increasing share of its gold-related FX proceeds through commercial market participants and could become the main, or potentially even the sole supplier FX to the market, while the Bank of Ghana would retain responsibility for official FX intervention. A smaller share of GoldBod's flows may be directed towards reserve accumulation, although the exact allocation has not yet been determined. The IMF has emphasised that the framework should operate according to clear and predictable rules, which will become increasingly important as GoldBod's role in the FX market grows.

Our View: We maintain a moderate position in our Local Currency Frontier strategy. Strong growth and reform performance and high real rates anchors the fundamental story, but uncertainties regarding the FX market and risks related to election spending keeps us from having a large position in the country. We don't have a position in our Hard Currency strategy.

	2027F	2026F	2025	2024	2023	2012 - 2022
Real GDP (% annual percent change)	5.7%	5.7%	6.0%	5.8%	3.1%	4.9%
Inflation (% annual percent change)	4.8%	4.8%	14.2%	22.9%	39.2%	13.6%
Overall Fiscal Balance (% of GDP)	-2.2%	-2.2%	-1.3%	-6.0%	-3.4%	-8.7%
Government Debt (% of GDP)	51.7%	51.7%	48.8%	70.1%	79.1%	61.7%
Current Account (% of GDP)	6.0%	6.0%	8.1%	1.8%	-0.8%	-4.7%
Import Cover	5.6*	5.3*	6.8	4.5	3.1	5.8

*Latest value that exists for Import Cover
Sources: Aktia, IMF and Macrobond

Nigeria

Nigeria's macroeconomic situation and reform progress have continued to strengthen since our last visit in March 2025. Growth remains robust, inflation is easing, external buffers are improving, and the FX market is functioning more normally. The next challenge is to translate macroeconomic stabilisation into stronger investment, employment, and improvements in living standards without weakening reform credibility.

Economic activity is gaining momentum. The IMF has raised its growth outlook for Nigeria, with real GDP growth forecast at 4.2% in both 2026 and 2027, supported by a stronger contribution from the oil sector. The effects of the reforms are likely to materialise with a lag, suggesting that growth of around 4.2% may still understate the underlying improvement in confidence and economic activity. Medium-term prospects, however, depend on addressing persistent structural constraints. Agriculture represents roughly 24% of GDP but continues to grow only at low single-digit rates, while insecurity, transport bottlenecks, and weak logistics constrain productivity. Infrastructure and power-sector reforms offer substantial upside to growth, but high financing costs remain a major obstacle to investment and to attracting foreign capital into infrastructure projects.

Inflation has declined faster than expected. The IMF Staff Report published in the summer had projected 2026-end inflation of around 17%, but inflation had already fallen to 14.6% by September. Further disinflation is expected to be gradual, as food has a large weight in the consumption basket and domestic supply constraints remain persistent. The IMF forecasts inflation to average 14.7% in 2027. Food-price pressures continue to reflect insecurity, weak transport links, low agricultural productivity, and supply-chain inefficiencies. A stronger naira should help reduce imported inflation over time, although domestic bottlenecks are likely to slow the pass-through. The stronger oil sector also provides support, particularly through the Dangote refinery, which now covers a significant share of domestic demand for refined petroleum products.

The current-account outlook has improved more than expected, partly because oil prices have remained higher for longer than assumed in the IMF's earlier projections. The most recent IMF WEO forecasts a current-account surplus of 7% of GDP in 2026 and 4.4% in 2027. However, the improvement does not yet represent a permanent structural shift. Oil production capacity cannot expand rapidly, although the start-up of the Dangote refinery, with refining capacity of more than 700,000 barrels per day, helps reduce Nigeria's dependence on imported refined petroleum products and has created a new source of exports, including refined products sold to European markets. Dangote is also preparing for what is expected to be Africa's largest IPO and intends to use the proceeds to double refining capacity to around 1.4 million barrels per day, which would make it the largest refinery in the world. More encouragingly from a structural perspective, the central bank reported that non-oil FX inflows had grown rapidly. This is a positive sign for the diversification of Nigeria's external FX earnings and, if sustained, could make the current-account position less dependent on developments in the oil sector.

Nigeria's reserve position has strengthened substantially. Gross reserves have increased from USD 46 billion at the start of the year to USD 54.7 billion and are expected to continue accumulating as long as oil prices remain supportive. The central bank emphasised that the quality of reserves has also improved,



Photo: Outside of Central Bank of Nigeria

Nigeria

with the focus increasingly shifting towards building a genuine external buffer supported by higher oil receipts, improved FX-market functioning, and continued foreign participation. The authorities view the large reserve cushion as important protection against portfolio-flow volatility and external shocks and consider current FX liquidity comfortable. Portfolio-flow volatility remains one of the key risks for Nigeria, given the high level of foreign participation, particularly in central bank open market operation instruments (OMOs) , while foreign investors hold close to 10% of government bonds.

The monetary framework is moving towards a more coherent and market-based system. The IMF is supporting a transition towards inflation targeting, while the central bank is seeking to better align policy rates, strengthen monetary-policy transmission, and develop a meaningful yield curve. Further progress will also depend on developing deeper money and repo markets. Both the central bank and the IMF aim to move OMOs away from their current role as investment instruments and encourage investors towards government bonds and Treasury bills instead. The objective is to narrow the yield differential between T-bills and OMOs and gradually transition OMOs towards very short-dated instruments used primarily for liquidity management. The main challenge is to preserve the disinflation process while allowing interest rates to decline gradually to levels that are more supportive of investment. Premature easing could undermine policy credibility, while persistently high rates would continue to constrain growth, investment, and debt affordability.

Fiscal performance is likely to be stronger than projected in the IMF Staff Report. The non-oil primary deficit could narrow to around 4% of GDP, compared with the earlier estimate of 5.1%, mainly because expenditure has been weaker than expected while revenues have broadly tracked projections. Public debt remains relatively low, forecast at 34.6% of GDP for 2026, providing some fiscal space. However, limited implementation capacity means that translating this fiscal space into productive investment remains challenging. Significant reforms are still required in public financial management and revenue administration. Nigeria is currently operating three overlapping budgets, cash-flow planning remains weak, and visibility over budget execution and SOE finances is limited. The authorities aim to eliminate the budget overlap by 2027 and strengthen macro-fiscal coordination. On the positive side, revenue generation has consistently improved, with the authorities focusing on improving tax compliance through electronic tax systems. The new tax law came into effect at the start of the year and has been successfully implemented. The VAT rate remains relatively low at 7.5% and is expected to remain at this level for now, as the immediate priority is to improve compliance and broaden the VAT base rather than increase the headline rate.

The upcoming general election is viewed as a manageable but relevant risk. The pre-election period has so far been unusually calm, with limited evidence of additional fiscal spending or FX pressure. The prevailing assessment among local counterparts is that the incumbent is well positioned to win, although state-level politics remain more fragmented and social dissatisfaction could increase due to elevated energy prices. The government's announced cap on petrol prices should help moderate this risk. A victory for Tinubu would likely signal continuity in the reform agenda, with local counterparts suggesting that he has sufficient political capital to continue implementing reforms, potentially at an even faster pace than during his first term. One concern raised was Tinubu's age and health, as well as the question of succession should he be unable to complete a second term. Nevertheless, a complete reversal of the main economic reforms appears unlikely even in the event of a change in political leadership. The opposition has indicated support for maintaining the broad macroeconomic framework and has become increasingly institutionalised.

Our View: Nigeria is one of the largest positions in our local currency Frontier strategy, strong reform momentum, undervalued currency, high carry and improving fundamentals builds an attractive story. In Risks are concentrated in the upcoming elections and large foreign participation rate in the OMOs. In EM local currency strategy, Nigeria is part of our off-benchmark frontier allocation to have more balanced exposure to oil risk. We also hold a position in our Hard Currency strategy.

	2027F	2026F	2025	2024	2023	2012 - 2022
Real GDP (% annual percent change)	4.3%	4.2%	4.0%	4.1%	3.3%	1.9%
Inflation (% annual percent change)	14.7%	15.6%	23.0%	33.2%	24.7%	13.0%
Overall Fiscal Balance (% of GDP)	-2.9%	-3.3%	-1.8%	-1.3%	-3.1%	-2.9%
Government Debt (% of GDP)	32.8%	34.6%	36.1%	39.3%	36.3%	19.6%
Current Account (% of GDP)	4.4%	7.0%	4.8%	7.5%	1.3%	0.3%
Import Cover	12.1*	12.1*	10.6	11.1	11.3	8.7

*Latest value that exists for Import Cover

Sources: Aktia, IMF and Macrobond

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